

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

USTR PRESS RELEASES ARE AVAILABLE ON THE USTR HOME PAGE AT WWW.USTR.GOV.
THEY ARE ALSO AVAILABLE THROUGH THE USTR FAX RETRIEVAL SYSTEM AT 202-395-4809.

**FOR IMMEDIATE RELEASE
JULY 1, 1999**

**99 -54
CONTACT: HELAINE KLASKY
AMY STILWELL
(202) 395-3230**

U.S. AND JAPAN REACH NEW AGREEMENT ON NTT PROCUREMENT

Today, United States Trade Representative Charlene Barshefsky announced conclusion of a new telecommunications procurement agreement covering procurement by the successor companies of the Nippon Telegraph and Telephone Corporation (NTT). The agreement replaces the 1997 agreement -- which expired today upon the restructuring of the NTT -- and will remain in effect for two years.

Ambassador Barshefsky applauded the new agreement, saying: "I am pleased that we have reached agreement that meets all of the U.S. negotiating objectives: coverage of the NTT successor companies; continued government oversight; data collection to monitor progress; and adherence to open, transparent, and non-discriminatory procurement procedures by the NTT successor companies." Ambassador Barshefsky emphasized the importance of annual government consultations, stating: "Regular review by the Governments provides us with a mechanism to ensure that opportunities for foreign suppliers to sell to NTT are maintained and enhanced after its restructuring."

Under the accord, both Governments will meet annually to review the operation of the new procurement procedures, as well as foreign companies' access to these procurement opportunities. This will include a review of procurement data, through which the Governments will evaluate foreign companies' progress in accessing the NTT market.

After restructuring, the four NTT successor companies -- a holding company, two regional companies and a long-distance/international company -- will continue to apply procurement procedures that provide transparent, non-discriminatory and competitive opportunities for both foreign and domestic suppliers with respect to all stages of the procurement process.

The new framework reflects the changes brought about by NTT restructuring, including the different legal status of the long distance/international company. In addition, it takes into account the new business environment in which suppliers, both domestic and foreign, and the NTT successor companies are now operating.

Prior to restructuring, NTT procured over \$10 billion worth of telecommunications equipment annually. Foreign companies sold over \$1.5 billion in products and services to NTT in 1997, the latest year for which data are available. "The NTT successor companies are expected to significantly upgrade their networks to keep pace with dynamic changes in communications worldwide," stated Ambassador Barshefsky. "U.S. companies, world leaders in the new technologies in demand worldwide, are well positioned to increase their sales to the NTT successor companies."